

Washington, DC – Today, Rep. Earl Blumenauer (D-OR), a senior member of the House Budget and Ways and Means Committees, released the following statement regarding the S&P downgrade of U.S. debt:

I suppose it is hard to give 'chutzpah' a bad name, but S&P is certainly pushing the limit with its downgrade of US debt. Their errors are not limited to just the \$2 trillion dollar miscalculation in their rush to play the downgrade card. These people have been the subject of a rare bipartisan consensus in Washington that S&P and their fellow ratings agencies weren't just complicit in the financial meltdown; they actually aided and abetted the reckless behavior that created it by completely failing in their duty to analyze the bogus financial instruments that were involved. They completely failed their fiduciary duty and could not move quickly enough to put their stamp of approval on financial instruments that nearly wrecked not just the American economy, but the global economy. America continues to pay the price today for their poor judgment.

A major part of the furor in this country about our debt and spending is a direct result of the financial meltdown, the collapse in revenues it created, and the necessary efforts including new spending to keep the recession from getting even worse. The meltdown and the painful yet necessary policy response would have been largely averted if S&P and its fellow rating agencies had managed to do their job.